INFORMATIONAL HEARING AND SITE VISIT

BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

In the Matter of:	)	
	)	
Application for Certification of Duke Energy for the MOSS LANDING Power Plant Project (MOSS LANDING)	)	Docket No. 99-AFC-4

ASSEMBLY ROOM

MOSS LANDING POWER PLANT

MOSS LANDING, CALIFORNIA

TUESDAY, SEPTEMBER 7, 1999

6:30 p.m.

Reported By:

Debi Baker

Contract No. 170-99-001

COMMITTEE MEMBERS PRESENT

William J. Keese, Chairman, Presiding Member

Michal C. Moore, Commissioner

Cynthia Praul, Commissioner Advisor

Gary Fay, Hearing Officer

STAFF PRESENT

Paul Richins, Siting Project Manager

Jeff Ogata, Staff Counsel

PUBLIC ADVISER

Roberta Mendonca

APPLICANT

Mark Seedall, Director, Electric Modernization

Wayne Hoffman, Environmental Manager

Elton (Gene) McCrillis, Plant Manager

Steven F. Abbott, Environmental Specialist

ALSO PRESENT

W. Richard Texier, representing CURE

Glenn Simjian, California Air Resources Board

Chris Cannon, Project Manager, TRC

Nick Papadakis, AMBAG

A.J. Carrey, Environmental Consultant

Mike Sewell, Monterey Bay Unified Air Pollution Control District

Tony Barrera, Hispanic Chamber of Commerce

I N D E X

P R O C E E D I N G S

CHAIRMAN KEESE: I'm Bill Keese, California Energy Commissioner. And we have with us Michal Moore, also an Energy Commissioner. We are the Committee who will be working on this project.

On my right is Cynthia Praul, who is my advisor, and who will be assisting me in this process. Commissioner Moore may have his advisor --

COMMISSIONER MOORE; Not today.

CHAIRMAN KEESE: He does not have his advisor here this evening.

I'd like to introduce the parties. The Applicant, Mark Seedall. Mark, would you like to -- do you want to introduce your staff at this time?

MR. SEEDALL: Sure. My name is Mark Seedall. I'm the Director of Electric Modernization for Duke Energy, and heading up a team for the modernization project here at Moss Landing. To my left is Gene McCrillis, the Plant Manager of the Moss Landing Power Plant, and Wayne Hoffman, our Environmental Manager on the project.

CHAIRMAN KEESE: Thank you.

Energy Commission staff who are also in our party independent of us are Paul Richins, who is the Project Manager, and Jeff Ogata, who is the Staff Counsel, sitting here. They will make a presentation later.

CURE is represented by Richard Texier.

Those are the parties.

The Public Adviser is Roberta Mendonca, and Roberta will be addressing you a little later.

At this time I'd like to have other participants and agencies who are present identify themselves. I know Glenn Simjian is here from the California Air Resources Board.

MR. SEWELL: Mike Sewell, I'm with the Monterey Bay Unified Air Pollution Control District.

CHAIRMAN KEESE: We're going to ask you to come forward and speak to this mic for the recorder, for our --

MR. SEWELL: I'm Mike Sewell, I'm the Project Engineer from Monterey Bay Unified Air Pollution Control District.

MR. PAPADAKIS: Nick Papadakis, with the Association of Monterey Bay Area Governments.

MR. CALCAGNO: Lou Calcagno, Third

District Supervisor, Monterey County.

CHAIRMAN KEESE: Any other agencies?

Thank you.

As background, I'd like to say that this is an informational hearing, the first public event conducted by the Committee as part of the Energy Commission's licensing proceedings on the Moss Landing Power Plant Project.

Notice of today's hearing was sent to all parties, all adjoining landowners, interested governmental agencies, and other individuals on August 19th, 1999. In addition, notice of today's event was published in the local newspaper.

Documents pertinent to today's hearing include a memorandum prepared by the Energy Commission staff entitled "Issue Identification Report". This memo was filed on August 26th, 1999.

The purpose of today's hearing is to provide a public forum to discuss the proposed Moss Landing Power Plant Project, describe the Energy Commission's review process, and to identify the opportunities for public participation in this process.

I hope you were all able to participate

in the site visit that preceded this hearing, the best site visit that I've had in my experience of visiting sites. It was scheduled to occur prior to the hearing to ensure adequate daylight during the site visit.

Today's event is the first of a series of formal hearings which will extend over approximately the next year. Commissioner Moore and I, as members of the Committee conducting this proceeding, will eventually issue a proposed decision containing the recommendations on the proposed power plant. It is important to note that these recommendations must, by law, be based solely on the evidence contained in the public record, which we're starting today.

I'd like to note also that California Unions have filed a petition to intervene for -- California Unions for Reliable Energy have filed a petition to intervene. I am not aware of any party who has objected to this petition. I would ask at this time if there is any party who objects to that.

If not, we will consider the petition to intervene granted as of today.

During the course of the hearing we

will proceed in the following manner. First, the Commission staff will provide an overview of the Commission's licensing process and its role in reviewing the proposed -- I'm reading a template -- the proposed Moss Landing Cogeneration Power Project. Next, Roberta Mendonca, our Public Adviser, will briefly explain how to obtain information about and participate in the licensing process. Then the Applicant will describe the proposed project and explain plans for developing the project site.

Upon completion of these presentations interested agencies and members of the public may ask questions. And following these presentations, we will turn to a discussion of scheduling and other matters addressed in staff's August 26th Issue Identification Report.

Do we have any questions at this time on our process?

While the Public Adviser and Commission staff will go into greater detail, I'd briefly like to tell you what you can expect from the Commission's process.

First, we are embarking on a functionally equivalent California Environmental

Quality Act review process, normally known as CEQA. Basically, this means two things. One, our process must, by law, address the substantive requirements and policies of CEQA. Secondly, we, quote, must provide a process that provides a vastly more comprehensive opportunity for public review, comment, and participation than does the traditional CEQA EIR process.

For example, while public hearings are encouraged under CEQA, the law made clear that they are not required. In an EIR process, the public review and comment portion may be conducted entirely by written comments. Conversely, in our process, every meeting, workshop, hearing, or other event must be noticed and open to the public, and must allow the public to comment and participate.

You will definitely have ample opportunity to make your points be known, and to comment upon the proposed project. These rights, however, also mean that, as Ms. Mendonca will explain later, you will necessarily assume the burden that accompanies participation.

One of the considerations that we must take in -- one of the issues that we must take

into consideration is alternatives. However, the legal standard which applies is not that our focus be that this should be the best of all possible locations for the project, but rather the pertinent question is whether an alternative location would avoid or substantially lessen any significant impacts of this project.

Finally, you can expect that all decisions made in this case, including whatever our final recommendations are, will be made solely on the basis of the public record. To ensure that this happens and to preserve the integrity of the Commission's licensing process, Commission regulations under the California Administrative Procedures Act expressly prohibit off the record contacts between the participants in this proceeding and the Commissioners, Advisors, and the Hearing Officer.

This is known as the ex parte rule. This means that all contacts between a party to this proceeding and Commissioner Moore or I, and our staffs, concerning a substantive matter, must occur in the context of a public discussion such as will occur today, or in the form of a written communication distributed to all parties. The

purpose of this rule is to provide full disclosure to all participants of any and all information that's being used as a basis for future decision.

At this time we'll move to the presentations, and we'll ask that those in the audience hold their questions until the end of the presentations. We'll start with our staff presentation on the licensing process and role of staff.

Mr. Richins.

SITING PROJECT MANAGER RICHINS: Hello. My name is Paul Richins. I'm the Project Manager for the Energy Commission, and on my right is Jeff Ogata, Staff Counsel.

The role of the Energy Commission is to provide a complete and independent assessment of the project as proposed by Duke Energy. We are not the decision makers. We are just gathering information and will be making recommendations to the decision makers, which are to my left. We will be out in your community throughout the process, holding workshops, gathering information, and then preparing a report.

At the back of the room there's a handout that looks like this. It's copies of

overhead transparencies. If you don't have -- if you don't have one then you might want to pick it up at the end of the meeting. I only have -- I made 40 copies, and there's a few more left back there. The document has phone numbers and contacts of myself, Duke Energy, Roberta Mendonca, the Public Adviser's Office, and other key individuals. Also, it includes the Energy Commission's Website, as well as Duke Energy's Website.

To give you a little bit of background, the Energy Commission is responsible for permitting and reviewing and analyzing all power plants, all thermal power plants 50 megawatts and greater. As already indicated by the Chairman, the Energy Commission acts as the lead agency under CEQA, which is the California Environmental Quality Act, and part of our responsibility and role in that is coordinating input from all the local, state and federal agencies, as well as the public.

As the Chairman indicated, our process is very open. It's a 12-month process. It began on August 11th, when the Energy Commission reviewed and analyzed the Application for

Certification. The Application for Certification is that large binder. Wayne, if you would like to hold that up. That's just one volume of the application. That was the application that was put together by Duke Energy, and provided to the Energy Commission. We reviewed that document, and determined whether it had adequate information or not in it. And on August 11th, the Energy Commission deemed that it was adequate from the standpoint of our data adequacy requirements.

In addition to that, then we moved, we started a 12-month process into discovery, where we're gathering information. We'll be having workshops in the local community to gather information. This is the first time in the community. We'll be gathering additional information, a site visit, and so forth. And I'll go over the schedule in a little bit more detail.

Then we will move into analysis stage and provide a draft document which will be our draft analysis, called the Preliminary Staff Assessment. And then we'll do a Final Staff Assessment with workshops, gathering input from state, federal, local agencies, as well as the public.

The document, the Application for Certification, is available in the libraries in the community. They're in the Castroville Library, Watsonville, and Monterey. They're also in the Energy Commission Library, and information about these proceedings and other projects are on the Energy Commission Website.

Some of the state agencies that we'll be coordinating with include the California Coastal Commission. The Coastal Commission, under a separate law, is required to provide a report to the Energy Commission, so we are -- we are coordinating closely with the California Coastal Commission. They will be making findings and recommendations to us that we will then incorporate into staff's final recommendation.

Also be coordinating with the California Independent System Operator. That's the organization that is responsible for seeing that the transmission system works efficiently.

We'll be coordinating closely with Monterey County, and the Monterey County Planning Office. Also, the Monterey Bay Air Quality Management District. As you heard Mike Sewell's here from the Air District. Also, be coordinating

with the -- the Central Coast Regional Water Quality Control Board, and Caltrans and other state, local, federal agencies, as well as receiving input from the public.

You will hear more about what the project is tonight. Just briefly, it's a -- it's a project that's about 1,060 megawatts, which is a fairly good sized plant, and I believe Mark will be going into that a little bit more later on this evening.

Staff will be looking at the proposed project in all aspects, public health and safety, environmental consequences, and engineering aspects of the project.

To give you a little bit idea, there are about 22 technical areas that we review. In the handout on page nine is a list of those technical areas. It includes biology, air quality, water resources, public health and safety, transmission system engineering, visual resources, worker safety, water, 20 -- more than 20 different technical areas.

From that analysis, then we will, as I indicated earlier, take a look at all those individual technical areas and be providing a

draft report in which we'll hold workshops on here in the community, receiving input, and then from those workshops and from those written comments that we receive, we'll fold those into our final staff assessment. The final staff assessment then will be our recommendation that will go to the Commissioners, and it'll be the Energy Commission's independent staff assessment and recommendation with conditions for certification, which in some of the past projects that we've reviewed have included up to 150 or more conditions of both operation and construction.

And that pretty much summarizes my presentation.

CHAIRMAN KEESE: Thank you.

At this time we'd like to ask Ms. Mendonca to outline for you her role, and through her role how you can have a role in these proceedings.

PUBLIC ADVISER MENDONCA: Hi. My name is Roberta Mendonca, and don't worry about the last name. I answer to Roberta.

My job at the Energy Commission is that of the Public Adviser. And I know you can have lots of jobs in life, fireman, truck driver,

secretary, and everybody kind of knows what you do. But let me tell you, when I say I'm the Public Adviser I get this totally blank look. So let me help you understand what the Public Adviser does.

I'm here to facilitate public participation in this process. And just since you've gotten an idea, it's a 12-month long process. So from day one to the end, it's 12 months. It's a long process, it can become very confusing, and sometimes there -- it's an opportunity for the public to participate in each and every one of the public hearings, but it can at times be confusing.

So the Public Adviser's role is to be available to answer those types of questions. When can I participate, when's the next hearing, how do I make my voice, my opinion, my comment known.

So, the Public Adviser has an e-mail address and an 800 number. That makes me very available. I also come in to the community and attend as many of the workshops and as many of the formal Committee hearings as is possible. Being one person, with all of the sites, I make as many

as I can.

So what else can happen for the public? There's a lot of ways that you can participate. You can show up tonight, as many of you have done, fill out the blue card, which helps us organize the comments, and make a public comment this evening. Tonight's hearing is recorded, and your comments will be recorded.

Some people will really get involved, and have a particular issue and want to be heard on that issue at the formal level. So those people can do a process called intervention and become a formal Intervenor in the Energy Commission cases. Intervention is not a difficult process. You complete a petition, the Public Adviser can help you complete that petition. But what happens is you do become a party, and that allows you to enter evidence in the formal hearings, to cross examine witnesses in the formal hearings, and it's not just something that you would do lightly.

You would want to do it with the concept in mind of being a full player, as well, which means you must follow the rules. You must serve the other parties in the case with your

documents, and you must be willing to answer questions in the same way as any other party.

So the Public Adviser, to make that very long explanation fit onto a small business card, is here to advise the public, and I look forward to your participation.

Some of you have heard the various comments mentioned this evening about the PSA and the staff analysis. Just to help you, for those of you who like to have a visual presentation, you've seen the large binder with the Application for Certification. I brought with me some of the documents from a normal siting case. They can't be in the Duke Moss Landing case because we're not there yet, but if you'd like to see what a preliminary staff analysis looks like, or proposed testimony in a case looks like, I brought some samples from previous cases.

I also brought a timeline, a one-pager, so if you want to go home tonight and remember the lesson, there's a one-page description of what this plant is like, with my name and phone number on it. So I welcome you to come by my table.

Thank you.

CHAIRMAN KEESE: Thank you. And since

you're prepared this document and I know that -- I'm just reminded that I didn't introduce Gary Fay. Gary Fay is our Hearing Officer. Gary Fay really is orchestrating this whole thing. That's probably why he didn't put his name on the document that he presented me to present here.

PUBLIC ADVISER MENDONCA: I can provide you with that. I forgot to.

(Laughter.)

PUBLIC ADVISER MENDONCA: I also forgot to mention there's a sign-in sheet going around. And it would help us if you sign in, indicate your presence. There is a box that you can check if you would like to get on our mailing list, and then also an e-mail address sign on. So if you would like to get notice of future community meetings, please do sign the sign-in sheet.

Sorry.

CHAIRMAN KEESE: Thank you.

You will -- Gary will be conducting a number of the activities as we move through the process.

All right. We will then move to the Applicant, and we will have the Applicant make their presentation, their proposal.

MR. SEEDALL: Good evening, again. My name is Mark Seedall, and I'm the Project Leader here for the Moss Landing Modernization Program.

I want to just make a couple of introductory comments. To my left is Gene McCrillis, the Plant Manager, again, and Wayne Hoffman, the Environmental Manager for the project. And Wayne's going to give an overview of the environmental aspects of the project, and I'll discuss the -- kind of the project description part of the project.

I wanted to mention a couple of preliminary items. One, the sandwiches tonight were provided by the Moss Landing Cafe over in Moss Landing Harbor, so we want to thank them for preparing those for us.

I know a number of you came late, and if you still have an interest and couldn't make the tour, Duke is holding tours here of the site once a month, and if you'll let us know we'll try to get you in on another opportunity to visit the plant, so -- because it is an interesting place to see, and we certainly like to bring people to see the plant who are interested in it.

In addition, we have a Website down in

the back of the wall there, it's www.duke-energy.com slash -- back slash California, and we encourage everyone to go to the Website and have a look. We're trying to update it frequently. All of the material in this information package, which we hope you will grab one in the back, is on the Website, and again we're -- if you see anything in here that piques your interest, please feel free to ask us more questions about it.

And finally, if you have interest in talking to myself or any of the people here from Duke, please grab one of our business cards, or if you don't have a chance to talk to me at the meeting, and -- and we'll make ourselves available to try to get back to you on any questions you may have.

So with that, what I would like to do is just briefly describe for you the project. And I started out with -- I'm just going to sit here, but I started out with these charts and I don't know how easy they are to see. But the Monterey Bay is here, and the Moss Landing Power Plant, of course, sits right the heart or the center of the bay at the outfall of the Elkhorn Slough. So somewhere halfway between the -- the Monterey area

and the Santa Cruz area, and I always think of it as being in close proximity to Watsonville, Castroville, and Prunedale, so kind of the closer in communities that are near Moss Landing.

So the next slide. We are proposing to upgrade the plant, or add to the plant's capacity. Currently it has around, well, 1500 megawatts at the plant. Prior to its current operations it ran at about 2100 megawatts. There were five other units, so about 600 additional megawatts.

What we're going to propose is to -- is to increase the capacity from 1500 megawatts to approximately 2500 megawatts by adding two combined cycle 500 megawatt modules to the power plant site. To accomplish this project, we need to go through several phases of what we call modernization, and the first phase, which is under a county ordinance, is the tank farm removal process, and that's the first tanks that we all walked by on the tour, tanks 1 through 10.

And so that's the first part of the plant modernization, and that also supports the next phase, so the next slide, Dave, which is the improvement in the air emissions from the two big units, which are called Units 6 and 7, and those

are 750 megawatt power plants, and we're going to put what they call selective catalytic reduction, or SCR, improvements on those two units. And that's like the catalytic converter in your car. And what that will do is reduce the air emissions, or improve the air emissions dramatically, and they'll improve by somewhere on the order of 75 to 80 percent with that improvement.

And that'll be taking place starting in late 2000. And some of that work will start as early as this year. And that also includes, as you walked by on the tour, four ammonia tanks, which will be mixed with the gas and the exhaust to reduce the emissions.

One of the -- the second SCR will be on Unit 7, and that'll take place as soon as we get the first one done in the early part of 2001.

Now, one of the neat things about this project is that we can re-use -- the next chart, Dave -- the -- a lot of the infrastructure that already is existing at the plant. And in particular, as you saw and is out in the yard, there is a fire protection system that's now used for the tank farm, so that when the tank farm is no longer there we can use it to support the

plant. And that's out in the back part of the plant. And the gas connections which go and feed the unit, 6 and 7, can now be used to feed the new unit. So those -- those can be redone.

The electric transmission system, which we'll talk a little bit more about later, the 500, the 230 and the 115 systems, those will also be re-used, and we'll connect the new power plant directly into the 230,000 volt system, where the units previously were connected that are now retired.

And finally, very important to the environment, and Wayne will talk about more later, we're able to discontinue the outfall from -- that went into Elkhorn Slough, and now combine the outfall from the new plant with the outfall from the 6 and 7 unit, and put that water directly into Monterey Bay and avoid going into Elkhorn Slough. And we can re-use the intake structure on Units 1 through 5.

Next slide, please.

In addition to the infrastructure benefits, we want to mention the economic -- oh, excuse me. This is -- this is a -- actually a -- I wanted to show this, because this shows our

effort to put the two gas turbines back to back with the steam turbines -- where are those -- out in this area, and to place the stacks towards the center of the yard. And some of the visuals you'll see here in the room reflect the fact that we -- we've taken, you know, care in putting the stacks towards the center of the yard so you don't see them as much. They're 145 feet high, you know, compared to the 500 feet -- foot stacks that 6 and 7 have, or the 225 foot stacks that are going to be removed from Units 1 through 5.

So the placement of the plant, I think, is -- is helpful in terms of minimizing the visual impacts.

Go ahead to the next one.

In addition to the -- to the, sort of the plant features, the -- the project provides significant economic benefits to Monterey County and the state. We estimate, and these are cumulative benefits from the -- from the tank demo and the SCR and the -- and the new project, we estimate five million a year in additional property tax benefits to Monterey County, a million dollars a year in new franchise fees, which are a gas tax we pay when we transport gas

on the PG&E system that goes into Monterey County.

We will structure the purchase of equipment, large equipment, in such a way so that we can funnel part of the sales tax payments made for the equipment directly into the county, so they -- they can keep a portion of that. It's about $2 million on a one-time payment. We estimate $136 million for the construction payroll, a peak construction workforce well in excess of 500 people, and of course that will ripple through the entire economy, as well.

And finally, adding this plant to this location and replacing the old units with the thousand megawatts improves reliability into this local area, and should lower the cost of generation for the entire -- for the entire state.

Next slide.

I wanted to also show folks where the power from Moss Landing actually goes. These -- this is a map, a regional electrical substations fed by Moss Landing Power Plant. As you saw, there -- there's three switchyards, 115,000 volt switchyard. That serves the local area, it goes to Monterey, Salinas, Watsonville, Santa Cruz, probably over 600 megawatts of load on that local

system. It's fed from the 115,000 volt switchyard. That's four double circuit 115,000 volt lines.

There are two double circuit 230,000 volt lines. One goes to Panoche, out in the Valley, and the other one goes to Metcalf, near the southern part of San Jose. And finally, there is two single circuit 500,000 volt lines that are fed from Moss Landing, and they go to Los Banos, to the south, and Metcalf to the north.

Currently of interest, power actually from time to time is fed into the Moss Landing yard from Panoche and Los Banos because of high electric demands in the local area and in the San Jose area. And so by building this project, what we're going to do is actually recreate the system as it was intended to be created, which was to allow power to actually feed out from this station. It will reduce electric losses across the system, and overall improve reliability. And we're very proud of the -- of the electric resources that we'll be able to provide from this site.

So in summary, we are going to be decluttering the site with the removal of stacks,

the removal of oil tanks, fuel oil tanks. We're going to be using significant levels of existing infrastructure, in terms of gas lines, fire protection, electric systems, water lines. We're going to provide substantial economic benefits to the county and the state, in terms of -- of lower energy prices and tax benefits.

And finally, Mr. Hoffman will address the environmental benefits, which we think are also substantial, from modernizing this facility.

Thank you.

MR. HOFFMAN: Thank you, to Members of the Committee, and welcome to citizens of the community and the regulators, all the Duke folks, and people who have assisted in this process, including a variety of expert consultants who are working with us on this process.

This first board shows the plant's historical operations, including some key processes that Mark has touched on related to the thermal discharges, showing how Units 1 through 5 right here previously discharged water out into the Elkhorn Slough.

This is a considerably more sensitive resources, being more shallow and -- and

containing, as Mr. Silverstein from the Elkhorn Slough Foundation here could attest to, a lot of valuable marine life, and thereby enabling Duke to show some significant environmental benefits by not re-using this facility for its future discharge, but instead using the intake structure down here to bring water in, and I'll show in a minute, to the new plant, and to enable us to cut back on the heat discharges into the more sensitive areas.

Over here, briefly, is -- is an illustration of the discharge plume from the historical operations of Units 6 and 7. So in the past, up until I guess it was 1995, Units 1 through 5 discharged over here into Elkhorn Slough, and since then that discharge has not occurred. But the Units 6 and 7 here are discharging out into the bay.

Let's see the next board.

This shows some of the changes that are taking place, some of which Mark described. But the key elements are that we're taking this intake, re-using it, moving our screens, fish screens which are used to prevent impacts on marine life, from the intake of cooling sea water

through the system. We've moved them from right in this area where the pumps were out to the -- going to move them, rather, out to the intake structure.

And it'll have two benefits. One is that they will be most modern technology, or best technology available. And it will be at an angle which will enable us to reduce the impacts on the screens and marine life, and they -- that particular design also will reduce the flow through velocity of the intake, and thereby also cut down on the -- what we call the impingement of marine life on those screens.

The movement of those screens out to here will also enable this tunnel, which was previously open to fish which swam in there and were sometimes entrapped, the movement of those screens will enable us to remove that impact on marine life, which previously occurred under Units 1 through 5, but which will not take place in the future.

New pumps will be installed here, although there will be less pumps. The amount of water flowing through the system will be reduced. I guess, Gene, you could tell me exactly what that

figure was, but the Units 1 through 5 total out -- how many megawatts previously?

MR. McCRILLIS: Just under 600.

MR. HOFFMAN: Just under 600. So the new system will be producing over a thousand megawatts, with about 250,000 gallons per minute through this intake system, thereby needing less pumps to produce more power, when the previous 600 megawatts required, I think it was 380,000 gallons per minute. So there's a substantial decrease in the need for water.

Where that's significant from a marine biology standpoint is that the -- although the screens prevent any kind of marine life of an adult species from getting through there and being killed, the entrainment of larvae is a factor in the potential impacts of the power plant, and that level of entrainment is in part a function of how much water is drawn through the power plant. So when we make statements about reductions in water use of the plant, keep in mind that one of the specific benefits of that is the reduction in the loss of potential marine life.

The plume shown over here illustrates roughly a minor increase in the size of the plume

at that location. The temperature increase within a thousand feet of the discharge tubes, and there are two discharge tubes which will carry the water not only from existing Units 6 and 7 but which will also pick up along this line an interconnection like in front of the plant where you went on that tour today, those of you who took the tour, and carry the water out of both the new units back here and Units 6 and 7.

So there will be an increase in total volume coming out this discharge, but there will be about a 30 percent decrease in the temperature of the water discharged by this facility from this facility. In other words, our existing water quality permit permits us -- permits us to discharge water from Units 6 and 7 at up to 28 degrees Fahrenheit, above the measured temperature of the intake at these two intakes. But the design of this plant here will limit the discharge to about 20 degrees.

Now, I'll talk a little bit more later about some of these water relationships, but let's look at the next board.

Yeah, I'm going to come back to water in a minute, but I'm going to touch on -- this

chart illustrates some of the trends in air quality emissions. And this shows a past average level of production and the emissions associated with that in tons per year. This shows some of the decrease in emissions over the last several years, mainly as a result of -- of some retrofits, also as a result of some decreased production.

But the key over here is what's going to happen with the project. And Mark mentioned the SCR that's going in on 6 and 7. That is part of the -- or that is the cause for the difference between this illustration of the new -- of 6 and 7, and this past historical production of 6 and 7. And I should point out that that SCR program is not occurring as part of this AFC, but is in fact a part of a county regulated process. And, of course, the Air Pollution Control District is heavily involved in that, and Mike Sewell, who is here from the district, has been working with us on this.

Basically, what's going on is that there's -- there's a very large reduction in emissions from 6 and 7 with these retrofits, and also a considerably cleaner power plant coming in burning gas, and also with considerably more

efficient production of energy.

Let's take a look at the next one.

This is just a different illustration of hourly air emissions of -- of the existing plant, Units 6 and 7 here, of -- under particulate matter, and here's the ozone precursors, NOx being one of the key precursors for ozone. The concentrations of NOx from this project will be less than a third of the state standard for this criteria pollutant. That, and the project being Units 6 and 7, combined with the new combined cycle units.

The clean burning natural gas will basically eliminate the problem of sulfur dioxide, which is more clearly a problem associated with coal plants and with oil burning facilities, such as this used to be. And so the SOx levels will be less than one percent of the state standard.

The particulate level -- particulate matter levels from the project are about one-tenth of the state standard, and about one-thirtieth of the state standard.

I'm going to go back to the water resources issue, and describe this relatively simple bar chart. I know there's a lot of bars on

that. It looks probably a little bit mind boggling, but I'll try to simplify it for you.

Let's just look at these two, the past and the future, for the moment. What we're trying to illustrate here is that in the past, we had to look at what was this -- what was this plant doing from a biological standpoint. And a key factor for us is we have to demonstrate to the Regional Water Quality Control Board, which acts as the water pollution control agency and water pollution permit agency in a parallel process to this AFC, the memorandum of understanding between the water board and the CEC allows this process to occur in parallel. We've been working with the water board for, oh, about eight months now, putting together study plans to enable us to evaluate, you know, what are the potential impacts of the project and how do they relate to what went on here historically.

And the reason for this chart is just to show that in the past, the blue is the generation level, so this is the megawatts, and -- these numbers here. So during the study period when the water board evaluated what the impacts were and issued a permit at this level here, which

said you can release this much heat producing this many megawatts, using this much water flow, we have, from your studies that have been done, been able to evaluate that there will be no significant impact on beneficial uses or on the marine environment.

So now what we have is a situation where compared to the operation of the plant level when those studies were done, we have lower water flows, and we have less heat produced from the future project. And the -- what we're evaluating here in the future is we've looked at modeling studies that determine how often we think Units 6 and 7 will be running, and what we think will be a reasonable average for assuming the production levels of these plants. And this assumes that the new combined cycle run at 90 percent capacity factor, and that the Units 6 and 7 are running around 40 percent capacity factor, and that's what these figures are from.

A few more facts about the water resource issues associated with the project is that there's about a 40 percent reduction from current levels in water demand per megawatt for the new combined cycle units. The -- Mark didn't

describe in detail, but just briefly, the combined cycle units enable us to be much more efficient by taking the heat from the gas turbines and using that to create steam which then drives a -- a third turbine and produces additional electricity, and gives us about a 30 percent higher efficiency, between 30 and 40 percent.

We believe that with -- one thing I didn't point out was that -- that the water discharge volumes and the BTU heat loadings associated with the future plant will be about 20 percent less than what we studied before from the facility that was here. And we have a number of studies out there, I didn't point out where all the study points were, but we have temperature monitors, we're doing sampling at a number of locations. We're evaluating what happens in the discharge plume, what happens in front of the slough, what happens in various locations in the harbor to determine what the potential biological effects might be associated with the discharge.

And we are working with the water board on this and are confident that the studies that are being done, the samples that are being taken, the analysis that's underway, is demonstrating

clearly that the proposed project will not have any significant effects on beneficial uses.

One of the things that has been done extensively, and there are summaries of it in the AFC, is that Dave Mayer here, who's helping me with the boards and is our leading marine biological expert, has done a lot of research on the thermal tolerances of various fish species, the habitat locations as they are related to the discharges, and the potential for any environmental impacts on these habitats or species associated with these discharges.

So we have both historical evidence and we're developing a large body of evidence now and just submitted, actually, on September 1st, two major draft reports to the water board, one on the study of the thermal effects of the project, and another on the marine biological impacts. And part of that marine biological study was an in depth quarterly report of all the data we've collected since we began this most recent sampling program last March.

Just a comment, a brief comment on terrestrial biology. We've had biologists literally crawling over the site and digging

through ice plant looking for endangered species. I see Alan smiling back there. Alan Rhodes is the guy in charge of the tank demo here, and as part of that demolition process we have to undergo an environmental evaluation on the county level. And this analysis by the terrestrial biologists has not found any habitat suitable for any endangered species, and therefore we're not expecting any impacts from that, and we're coordinating that with the appropriate regulators at State Fish and Game and the Federal Fish and Wildlife Service.

Before I move to this next slide on noise, I wanted to bring your attention to the slides behind us and talk just briefly about the visual impact analysis that's been done for this project.

And the gentlemen here in the front, David Boyle and Paul Kirkman, are the folks from San Francisco who undertook this analysis for us. And I just want to point out that their analysis was specifically designed for an existing power plant. And so it's tailored to evaluating the impacts of an existing site. It does a detailed analysis of the amount of effect both on the skyline, on the ocean, and -- in this case I'm not

sure if that was part of it, but evaluates the effects of removing facilities such as the stacks, the eight stacks that are being removed.

What we're looking at here from your right to your left is a view of the plant from the west, from the south, from the east here, over on Dolan Road, and from the north on Highway 1. As you can see from this one, the stacks here are removed in the after picture, and back in there somewhere, which I can't see because I'm too blind, is -- are the stacks just barely showing up from the new facility. So it's pretty much invisible from there.

If you're going west towards Highway 1 on Dolan Road, this is your view here. We've outlined the tanks that'll be coming out, which we cannot count as part of our visual improvement, but will come out as part of the county's process. And right there is the -- are the stacks of the new plant, which are pretty much superimposed on where the old stacks used to be.

This view from the south shows the new plant over here, the stacks, existing stacks being removed. And here, looking from Moss Landing Harbor, you can see the stacks here in the

background, and these old stacks that'll come out.

This map shows the area where 11 KOPs were evaluated. We've shown four of them up here out of the 11. KOP means Key Observation Point. My apologies for the anachronism -- or -- most of you probably don't know. But out of 11 KOPs evaluated, eight of them were found to be of neutral effect with the new plant, and three actually result in a positive effect.

A couple more things, quickly. On the noise issues, this noise board that's on the easel over here was actually done back in April, so it's a little bit out of date. We had a public hearing here in which we had a number of these up around the room. These numbers have changed a little bit, but generally speaking the -- the major conclusions from -- from the noise analysis are that the overall power plant site noise is projected to be no higher with the addition of a thousand new megawatts than the current facility is.

And the reasons for this are mainly that major changes in the noise level of Units 6 and 7, which you toured today, are going to take place as part of the SCR program because new fans

are going to be put on those units which will substantially reduce the noise. We will meet with the new plant the noise standards of the county, which I believe, Chris, are 85 decibels at the -- okay, so we'll meet the 85 dBa at 50 feet from the -- from the projects. And also, we will meet the nighttime standards for the -- for the basin, which require that the decibel level not increase any more than five decibels with the nighttime measurement, which are generally what the -- what these curves show.

I notice from my noise meter sitting here in front of me that the noise in this room probably is mostly from my microphone, but is -- is ranging anywhere from about 50 to 65 or 68 decibels. So when you're talking about 50 decibels at the nearest residential unit, it's not very substantial.

And the last board. Just a mention of some of the organizations in the community that we're working with. Association of Monterey Bay Area Governments, Center for Marine Conservation, Elkhorn Slough Foundation. Williams, who's somewhere in the room, is our community relations, government relations manger here on the West Coast

and is handling all of these relationships, and has been very active in working with these people. We've done presentations before a number of these organizations, and also recently Monterey -- for the Monterey Bay Aquarium, which I don't see on here.

But that concludes my presentation.

CHAIRMAN KEESE: Okay. We're going to move next into the Issues Identification Report. But at this time, we've heard the Applicant's presentation. If you have -- while our staff will raise concerns, if you have questions about this presentation this is an appropriate time to make them.

So if any of the other parties or agencies or members of the public have questions to clarify what the Applicant has just presented, this is the time. You're going to get a chance at the end of this hearing to make any comments you'd like, also.

Anybody have questions for the Applicant at this time?

Sure. If you'd come forward. And I'll ask you to do two things. I'll give you the microphone, and then if you'd speak towards that

microphone. And identify yourself, please.

MS. SERIO: I am Jean Serio, and I am from the harbor. I live over in the harbor.

You said you were monitoring the discharge from the plume. Can you identify how you are going about monitoring the discharge from the plume?

MR. HOFFMAN: Well, there are a number of different ways that that's being done. Dave, do you want to speak to that?

MR. MAYER: There have been --

CHAIRMAN KEESE: You're going to have to --

MR. HOFFMAN: You need to introduce yourself.

MR. MAYER: My name is David Mayer with the -- consulting on remodeling for this project.

We have done two infrared aerial flights using that kind of technology to measure surface plume. There have been boat surveys at the same time that do what are called ground true surveys during those flights, and they are taking temperatures at the surface of -- vertically, through the water column.

And then there are permanent

temperature recording devices that are located on the beach and the shoreline.

MS. SERIO: Okay. That doesn't -- oh, yeah. That doesn't quite address the question on how are you monitoring the discharge from -- the plume is coming out of the stacks. So are you --

MR. HOFFMAN: Oh, you mean -- we thought you meant the water.

(Parties speaking simultaneously.)

MS. SERIO: Okay. I'm using the terminology that I thought -- the plume, to us over in the harbor, is what is coming out of the stacks. So you're not monitoring what is coming out of the stacks --

MR. HOFFMAN: Yeah.

MS. SERIO: -- is that correct?

MR. HOFFMAN: Oh, no, we absolutely are. There are a couple of gentlemen here. Steve Abbott, in the back of the room, is our air quality specialist. Perhaps it would be best for him to explain that. He's the one who's handling that at the current time.

MR. ABBOTT: I'm Steve Abbott, Environmental Specialist here at Moss Landing Power Plant.

CHAIRMAN KEESE: You have to speak through this mic in order to --

MR. ABBOTT: I'm Steve Abbott, Environmental Specialist here at Moss Landing Power Plant.

The two operating units here both have continuous emission monitoring systems in the stacks that continuously monitor emissions of oxides of nitrogen and carbon -- carbon monoxide.

MS. SERIO: And that's the only thing you monitor for?

MR. ABBOTT: The question -- another question was is that the only thing we monitor for. The answer is we also have in the stacks opacity monitors, which monitor for smoking conditions. They --

MS. SERIO: Is that information available to the public, those results of your monitoring?

MR. ABBOTT: Yes, it is. It's required to be by our air district permit.

MS. SERIO: Okay. One more question. You said that the sound level in the harbor will, with the new plant, be increased by five decibels. Is that true?

MR. HOFFMAN: No, I didn't say that. I -- I would have to look at the -- did we -- do we have a sound receptor in the harbor?

MR. CANNON: No.

MR. HOFFMAN: Okay.

MR. CANNON: The receptors that measure -- the five dBa, the number that you heard --

MR. HOFFMAN: Chris, you're going to have to come up.

This is Chris Cannon, our consultant from TRC on noise.

MR. CANNON: Chris Cannon, with TRC, and we did the noise studies.

Your question, as I understand it, was the five dBa. The Commission has a standard that says that with sensitive receptors, you can't increase noise levels over existing conditions. When you add the new unit, or the new project, the noise from the new project can't be five dBa or more greater than existing conditions. And so the sensitive receptors are identified as residences and schools and churches and libraries, and people who are sensitive to noise. Out in the middle of the harbor is not -- that's not defined as a sensitive receptor. There's nobody that lives

there.

MS. SERIO: Actually, are.

MR. CANNON: On boats, in the middle of the harbor? Are you talking --

MS. SERIO: Yes.

MR. CANNON: -- in the --

MS. SERIO: Yes.

MR. CANNON: -- the --

MS. SERIO: In the harbor proper.

MR. CANNON: You're talking about at the -- not in the middle of the harbor. You're talking about that --

MS. SERIO: Yeah.

MR. CANNON: Okay. Then yes, we did -- we have done noise standards there. We've done measurements based on contours, and the noise differences will be less than five dBa in the harbor area, with all the establishments and all the boats parked there, and so forth. The noise levels, measurements at those locations as well.

MR. HOFFMAN: Does that answer the question?

MS. SERIO: For now. Thank you.

CHAIRMAN KEESE: Thank you. Do we have any other questions for Applicant at this time?

All right. Then I will ask our staff to summarize their issues, which are in the Issue Identification Report, starting on page 11, if you have picked up the staff analysis, and this will include their recommended scheduling, their recommended draft schedule, which is on page 17 at the back of the document.

We will then have responses. After -- I'd ask the staff to present their complete Issues Identification, and then we will move to the Applicant.

Mr. Richins.

SITING PROJECT MANAGER RICHINS: Hello again. At the back of the room, as I indicated earlier, there was a document that looks like this, that is what I'll be talking from. There's a document dated August 26th that looks like this, that is our Issue Identification Report. That's the basis for my discussion this evening.

What we do early on in the case, after reviewing the Application for Certification, all our technical experts in those 20 to 22 different areas review the application. They talk with many state, local, federal agencies that have concerns on the project, and from that then we will

identify what we'll call major issues.

These aren't all the issues in the case by any means, but these are just our first cut at identification of some major issues that we view right now, and how we define a major issue is an issue that is significant from the standpoint of maybe data collection and timing on the schedule. So something that might be difficult to resolve or something that might cause the schedule to be delayed for one reason or another is -- is the definition that we use to define significant issue at this -- this level. So this is just a very preliminary cut.

What we have identified so far are three areas that may have some further analysis and further issues, and that's air quality, biological resources, and water resources.

As we progress through this process and receive responses to some of our data requests, and coordinate with many of you and also hear input from the public tonight and in future workshops, this list may expand or it may contract. But I just want to emphasize that this is just kind of a preliminary cut.

As it relates to air quality, there's a

number of areas that we're looking at, along with the local air district.

On any new power plant in California the developer needs to install what -- what is called Best Available Control Technology. That is the technology that's the best that can be found to reduce and control different pollutants from the power plant. Once the best control technology has been identified and applied, the modelers take a look and then determine what is left, and what is left over then has to be offset. And so when you hear the term air quality emission offsets, those are offsets that are required that Duke or any other power plant developer would have to purchase and secure so that they are taking other pollution sources out of production, so that there is no net increase in air pollution caused by the new development.

So in this particular case, we have identified Best Available Control Technology for a couple of pollutants as -- as a potential issue, air emission reduction credits, or air quality offsets. We will also be looking at partial load operation of the plant, and then also modifications to Units 6 and 7, although this has

been recently modified, and so that will come off the table.

And then we also will be looking at cumulative air quality impacts. That is, cumulative impacts of this plant in addition to other developments in the area.

The other area, second area is biological resources. There are several areas here that we're taking -- that are a potential concern, and's impacts to wetlands. You have heard already a little bit about impacts to marine biology. We'll be working closely with the Regional Water Quality Board on that issue. Also, there could be some potential impacts to sensitive and protected species.

And then in coordination with the Water Quality Control Board there is a completion of two studies. They're called Section 316(A), 316(B) studies, which are marine biology studies and impacts on thermal discharge into the -- the bay, and also entrainment and impingement studies. And I'll talk about those a little bit more when we go into the schedule.

And then lastly, water resources. Again, we'll be coordinating closely with the

Regional Water Quality Control on that, and the 316(A) and 316(B) studies. And so there's quite a bit of overlap between water resources and biological resources in this particular case, because of the impact to the ocean.

The schedule, now. The Energy Commission staff has just lined out a schedule for the next year on the proceeding, and I'll just hit some of the high points.

The project was deemed data adequate on the 7th of September, so that begins our -- wait, on August 11th, excuse me. That begins our one year process. Today we're at the Informational Hearing and Site Visit.

We will be receiving data responses to our data requests from Duke at -- in the first part of October. We provided about 30 to 40 questions where we needed additional information from Duke in the form of data requests, and they will be responding to those by the first part of October, which we call our Data Response -- their Data Responses.

From that we could have a workshop here in the community to go over those responses so that we can more fully understand the answers that

they provided.

As we -- as I indicated early, we'll be coordinating closely with the California Independent System Operator. That's the operator of the transmission system. They will be providing comments on a facilities or interconnection study. That looks like that should come to us towards the middle of December. We also believe that the air district may be having the preliminary determination of compliance around the 12th of December.

We're also looking for the California Coastal Commission. They, under state law, are required to provide a recommendation to the Energy Commission. And that would be coming to us around that same timeframe, around the first to middle of December.

The draft studies on the 316(A) and 316(B), the last study should be completed by the first of January, thereabouts. And that's -- that's a study that we'll want to keep close watch on. There's quite a bit of analysis and data that goes into that. That's being done by Duke, I believe, and Duke's consultants, in coordination with the Regional Water Quality Board. So that's

a key item from the standpoint of timing.

From that, then, we will be developing a recommendation or preliminary staff assessment towards the end of January. We will then hold workshops in the community to take input on that draft document, and then file a final staff assessment on the -- towards the end of March.

On the 316(B) I misspoke, I think. The 316(B) study is a draft January 1st, and then the final will come in in March for that 316(B) study. And then at the end of March we'll file our final staff assessment.

And then from there we'll go -- the Committee will determine when they want to hold evidentiary hearings, and then by August 9th, if everything goes smoothly, then a decision, potentially, by the first of August.

CHAIRMAN KEESE: Thank you. Would the Applicant care to comment on the staff's --

MR. HOFFMAN: I think we're working with the staff.

MR. ABBOTT: We are working with the staff on these issues they've identified, and we'll work with them throughout the process to try to keep it moving on a -- on a timely basis.

CHAIRMAN KEESE: For the benefit of all of us in the room, as you've heard, we do have a challenge in front of us, and that is that the Commission is obligated to return a response within the one year time period. It obviously depends on a lot of other parties participating along with us.

The Applicant has indicated that they will supply what the staff has requested. Agencies are also very involved in this process, and Mr. Richins has pointed out which agencies they'll be cooperating with.

At this time I would ask if there were any of the agency representatives who would care to comment either on the Applicant's presentation or the staff's issues analysis.

And, again, this is the recording microphone, and you can use the amplification for the public.

MR. CARNEY: My name is Bud Carney. I am the -- under contract with Monterey County, who is working with Duke and the County to process some of their coastal development permits.

There are three actions that we will be looking at locally, and this is for the

Commission's information, and also for the public tonight. There will be an application submitted by Duke to the County for a coastal development permit for the selected catalytic reduction program, and that will be coming in soon. And there will be a public hearing with the Planning Commission in Monterey County in order to review that project.

In addition, the Duke Energy Company will be submitting an application for modifying the existing master plan and for a coastal development permit to do the tank demolition project. That also needs a coastal development permit.

And then the existing master plan will need to be modified to incorporate the expansion program. And that will also be reviewed by the County.

In looking at your schedule, I was concerned. You mentioned the Coastal Commission will have an opportunity to present its information, assessment, or whatever, to the Energy Commission sometime in looks like January. Where does Monterey County come into that, that is my question, with regard to the schedule.

And then secondly, in looking at the issues that you've outlined as the major issues, you mentioned three of them which I think are really good ones and certainly we applaud the staff work that will -- that has already gone into looking at these issues. Then there is another issue which concerns us, and that is traffic.

During the work that will take place for the expansion there will be the potential of a major traffic issue that could be mitigated, and we will review that and we'll be recommending to the Commission on some potential ways how those issues could be mitigated, but I want to make sure that that issue is not forgotten.

And I want to thank the Commission for coming down here, and I certainly have enjoyed working with Monterey County in the last month. I've only been here for a month, and I have to say that Duke is doing a good job and providing everything I'm asking them for.

CHAIRMAN KEESE: Thank you. And I notice that staff included traffic as one of the issues. This is the time to bring up issues you would like staff to consider.

Do you have any -- Mr. Richins.

SITING PROJECT MANAGER RICHINS: The question came up regarding when the County would have input into our process. I would see it as a continuous process. We will be working with the County, and we would be willing to take comments at any time during our process. It's better to receive those comments before our preliminary staff assessment, but they can come before the preliminary staff assessment or they can come after the preliminary staff assessment, provided they -- they come before our final staff assessment.

But we plan to work with the County, and already some of the staff at the Energy Commission has been in contact with Monterey County in coordination.

The traffic issue we're aware of. We didn't attend, but we received the minutes from a recent Caltrans meeting, and I've been in contact, as well as the traffic planner has been in contact with the Caltrans representative who conducted a meeting about a month ago. So we're aware of the problem, and we're working with Caltrans. We're going to work with the County, and we're going to work with Duke to resolve those issues.

CHAIRMAN KEESE: Thank you.

Do we have any other agencies?

MR. BARRERA: Hello, my name is Tony Barrera. I'm the Executive Director of the Hispanic Chamber of Commerce of Monterey County.

I would like to applaud the staff and the Commission and Duke Energy for a very concise and very easy to understand report. I think one of the important things is to disseminate the information to the community. I think as the community feels empowered just by simple information, as you gave it today, I want to thank you for that.

And one of the things that the Hispanic Chamber of Commerce is very interested in, as well as protecting the environment, but economic development, to be able to give our folks, our residents of Monterey County, preference as far as giving them jobs. I want to applaud you on that.

And the -- the overall report that I received from McGregor Haye, I think it's very good word, as we give folks jobs, we create a good economic development process here in our area. And again, I think once that gets out into the community it's very important that we make

presentations as easy as possible. That way people will really be intrigued and interested. Because I know I passed through this plant for years, and you look at a plant and you're trying to figure out how does this thing work. But it's very interesting how it works.

And again, we thank you. Our membership thanks you, and on behalf of our board of directors we want to thank you, and just to tell you, you have a great government and community relation. Mr. McGregor Haye is a very good friend of the Hispanic Chamber of Commerce for Monterey County.

Thank you.

CHAIRMAN KEESE: Thank you.

Any other agencies?

MR. PAPADAKIS: Thank you, Mr. Chairman.

My name is Nick Papadakis. I'm Executive Director of the Association of Monterey Bay Area Governments, which is a voluntary organization of citizen counties in the tri-county area of Monterey, Santa Cruz, and San Benito Counties.

The Association provides a forum, a

voluntary forum for citizen counties to discuss issues of regional significance. And today, very briefly, I would like to talk -- mention those three issues that are of interest to us related to this project.

First of all is air quality. The Association of Monterey Bay Area Governments is the lead planning agency for federal air quality planning, and we do that, obviously, in association with the Air Pollution Control District, which is the regulatory agency.

Therefore, we're very pleased to see the projected offset in terms of a reduction in NOx, which are precursors to -- to ozone, which is -- excuse me, which is something that this tri-county area was designated as non-attainment pursuant to the Federal Clean Air Act several years ago, and we are now in a maintenance designation. We would like to keep that, and any reduction is very welcome.

Secondly, the previous speaker mentioned the five, six, or 700 jobs that might be generated as part of this project. This is quite significant for this area. Although the new California economy has given prosperity to many,

the unemployment ratio sometimes in this county, which is 15, 16, or even 17 percent, and that's for seasonal unemployment, but it has happened. So we like very much the provision of preferential hiring, if you call that, that is being proposed.

Lastly, in the area of transportation. My agency is the Metropolitan Planning Organization, designated so by the federal government, and we are responsible for planning and programming. We are, of course, cognizant that this project, particularly during the peak construction, will generate quite a few additional trips. And I'm pleased to hear that the County of Monterey is also interested in addressing that.

As a planning agency, we also stand by to provide assistance, either through transportation and development, transportation management projects that my office happens to be responsible for Monterey County, so we promise to do anything we can do to work with you, the Applicant, and Monterey County on those impacts.

Finally, we have been pleased with the Applicant's outreach to the local officials, primarily. We've had three presentations from Duke Energy in front of our board of directors,

that's comprised by about 20 elected officials right now. We got beyond Monterey County, and we think so does this project. So it is very important to have this area-wide outreach. As a matter of fact, the team tomorrow is coming to give a fourth presentation. So we are very, very pleased with that.

Thank you very much.

CHAIRMAN KEESE: Thank you.

I have six cards that have been submitted, so I'll call first Mr. Lou Calcagno, Monterey County Supervisor for this district.

MR. CALCAGNO: It's a pleasure to be here tonight, and actually it's a pleasure to see this type of meeting and function take place.

It's ironic that I'm standing here, and I've got to give you history because I love history. First of all, I was born here, and I'm the immediate neighbor, and I am the Supervisor for the area. And when I was going to grammar school I used to cut across right here where the plant is, back in '47. So I was here when they were -- had eucalyptus trees and broccoli on this property, before anything was here, and basically I've seen it go -- take all the turns it has taken

over the past, oh, the last 40, 50 years.

Give you a little more history. I was on the Planning Commission of Monterey County many, many years ago, when Michal Moore, who's sitting right beside me here, was a Supervisor for Monterey County. So basically we're bringing a lot of history here together.

I would say that, first of all, from the County's standpoint, we want to work with Duke, we want to work with the Commission, and we surely will give you all the resources we have available to make this project move smoothly and work in an effective way.

We've tried to up to this point work with the Duke people and -- and creating means, not only throughout the area but with the County staff of bringing them up to snuff on where this project is. We've got a planning person put in place specifically for this project, and we've given it all our energy to move forward in an orderly manner. And again, we'll work with you in any way possible.

There's no doubt that I'm not going to talk about all the planning issues we have here, because we have many. But we can address those,

and we're willing to, and we're willing to work with you, and we're going to bend over backwards to make this process move smoothly as far as the County of Monterey is concerned.

And we thank you again for being here today.

CHAIRMAN KEESE: Thank you very much.

Mr. Dan Haifley.

MR. HAIFLEY: Thank you very much.

My name is Dan Haifley, I'm a resident of Santa Cruz, which is just across the bay over here. And I'm here as an individual, although I am executive director of a environmental education program in Santa Cruz County.

I really wish that everybody else had put the level of care into their proposals that I see put into this proposal. I think that overall this could be a net plus for the environment, and I really appreciate both the fact that the Commission has worked hard on this, and that Duke has worked very hard on this.

And I encourage you to continue this effort, and I'd like to thank Duke for the effort that they've put into this. I think that the removal of oil tanks from the site will be a net

plus, and also moving the discharge away from the slough would be a net plus for this -- for this project.

So I thank you for doing that, and thank you, Commissioners.

CHAIRMAN KEESE: Thank you.

I have two representatives here of the Marine Mammal Centers. I have Margaret Burkes, and I have Mark Kimber, in whatever order you'd like to take.

MS. BURKES: I'm actually Margaret Burkes, not Mark.

I am the Executive Director for the Marine Mammal Center. We operate along the coast of California rescuing stranded marine mammals. We have a facility for operation down in San Luis Obispo, one here at Moss Landing, another up in the Sausalito area, and up in Mendocino, as well. So we actually see around 600, on average, marine mammals a year, and of that amount about 40 percent are really from Santa Cruz and Monterey County.

So it's really important to us what does happen here, because we have a little toehold, thanks to PG&E. We have been located on

the plant property for about ten years. So when the transfer came about we were concerned about what would happen to us, and Duke has been more than gracious in working with us. And at this point in that relationship we're really pleased to see that we are included as part of that plan.

They need to move us, and so if they decided to let us go it would have a very damaging financial impact on us. It would also, I think, impact the whole area in terms of the level of services that we're now providing.

Those services are provided under the fishery service. However, we get no funding from the government or anything, so we're all privately funded. Out of 36,000 supporters, about 80 percent of those reside in these coastal communities. So, again, they're very much interested in what does go forward.

So, again, we're pleased to be part of this plan. We do anticipate working in partnership with Duke to expand our footprint in the new site, and to improve the overall environment for our employees and volunteers, and to continue our services.

Duke has also offered to host a triage

center for us at Morro Bay, so again, that will be a tremendous upgrade for us. We're very pleased to have that.

The other aspect of our work is looking at the causes of diseases of marine mammals, so we work with a lot of the marine biologists that are down here with the marine labs, with the aquarium, and so forth, looking at that, looking at contaminants and pollutants. So it's, again, important to us if we're going to support a project like this, that we overall have some confidence that the net gain to the environment is there. And I'm please to say so far we can support that, and do.

Thank you.

CHAIRMAN KEESE: Thank you.

Mr. Kimber.

MR. KIMBER: Good evening. My name is Mark Kimber, and I live in Monterey and I work in Salinas, and I volunteer with the Marine Mammal Center here in Moss Landing.

I've been a volunteer with the Mammal Center for many years, and I'm one of the ones that actually goes out and rescues the animal. I'm one of many, several hundred volunteers who

actually go out and catch the sick or injured or orphaned animals, marine mammals, and this includes seals and sea lions and elephant seals, and whales and dolphins and, of course, sea otters.

When we catch these -- when we eventually catch up with these sick or injured or orphaned marine mammals, we need a place to take them. We need a first-aid station, a MASH unit, if you will, where we can kind of patch them up before we can get them up to the main facility in Sausalito. And thanks to the Duke Energy Company here, they have -- they have allowed us to be a part of this project and keeping us from being homeless.

And so on behalf of several hundred volunteers with the Marine Mammal Center in Central California, I'd like to thank Duke Energy for giving us a place to live, and thank you for your attention.

CHAIRMAN KEESE: Thank you very much.

Robert Stephens.

MR. STEPHENS: Yeah, I'm Robert Stephens, and I'm actually a neighbor. We own the Elkhorn Ranch, which is just to the north on the

other side of the Moss Landing Harbor here.

And I'm also Chairman of California Audubon, and we like to kid at our ranch that this place is for the birds, basically. And Elkhorn Slough, as you all know, is a very sensitive area. And when Duke first came here they were a new neighbor, and I've really gotten a good response from them. I've seen them supporting the environment. And I'm also a pretty practical person, and to me this is like installing a new refrigerator in your home when you have an old one that's not very efficient. There are new technologies and it seems like it makes sense to utilize new technologies to produce more power and that ultimately is better for the environment.

So I applaud their support of organizations around here, and their sensitivity to the Slough. I know I had a biologist on my ranch this evening that was studying the snowy plover, and he mentioned some predator had flown over here and Duke was very open to that. So I've gotten nothing but a good response from them, and I support the project.

Thank you.

CHAIRMAN KEESE: Thank you.

Carol Brewster.

MS. BREWSTER: Yes. I'm Carol Brewster. I'm the Secretary-Treasurer for the Moss Landing Chamber of Commerce, and I'm speaking on their behalf.

The Chamber supports this project. The project will create an economic revitalization in the area, the creation of jobs, and the injection of moneys into the local businesses. The project will have a major positive impact upon the tax base in Moss Landing and Monterey County, and the project will further reduce the emissions into the environment, which helps protect the vitality and the beauty of Moss Landing.

Thank you.

CHAIRMAN KEESE: Thank you to you and your supporter.

(Laughter.)

CHAIRMAN KEESE: Now members of the public will see how easy it is to fill out a card, and we know who you are, and we can call you up.

At this time is there anybody else from the public who would like to come forward, you're welcome to make comments also.

And again, if you could identify

yourself for the record.

MR. SILVERSTEIN: Okay, this is loud enough.

My name is Mark Silverstein. I'm the Executive Director of the Elkhorn Slough Foundation.

For the last 17 years the Elkhorn Slough Foundation has been a community supported non-profit that's worked very hard to protect the natural resources of Elkhorn Slough in the central part of Monterey Bay. So clearly we're very concerned about the resources here, and about the environment. And I'm very interested and desirous of working with Duke and with the Commission and bringing the data that we have to bear on these questions, and making sure that we can move forward in a positive way.

We do have -- we work very closely, the Elkhorn Slough Foundation, as a community supported non-profit, works very closely with the National Estuarine Research Reserve, which is our neighbor to the east. And we have a cooperative project with them and with Monterey County monitoring water quality in 25 stations around the central part of the bay. So we are very pleased

and -- and quite willing to share those data with Duke and with the Commission, as we think about the overall environment here.

I also just want to say that the folks from Duke have been remarkably open and very sharing in their information. I think that I can just echo what you've heard from other people here in this room. They've done a very good job of outreach, and just keeping everybody posted about all the steps in the process. There haven't been any surprises. I've been very pleased and impressed with that communicativeness, and look forward to continuing that kind of relationship.

So I, again, thank you for coming to Moss Landing, and I also would like to thank our Supervisor Calcagno for the history lesson today.

(Laughter.)

CHAIRMAN KEESE: Thank you.

Do we have any other member of the public? You know, they can't really be angels, can they?

I'm going to ask Mr. Fay to make some comments, and then Commissioner Moore.

HEARING OFFICER FAY: Thank you, Chairman Keese.

A couple of points. We will be considering, the Committee will be considering the need for any status conferences as the case progresses. What we typically do when we issue a schedule, and that'll be about 15 days, this will be a proposed schedule and it will include dates, about one a month, for a status report from the parties. And anybody that is a party would get a copy of this.

The Applicant and the staff and CURE, and any future parties, will submit these, basically informing the Committee their impression of where the case is, and what's happened in the last month. That helps us, helps the Committee to keep up on the case in the early stages.

I also wanted to point out that on page two of the staff's handout that has their overhead projection printout, there's a contact, it has my name as the Hearing Officer on the case, my phone number, and my e-mail. If anybody has any questions regarding the process, timing, scheduling, that sort of thing, feel free to call me. I'm glad to talk to you, and, of course, Ms. Mendonca helps in that way, as well. So either of us will be glad to help answer your questions.

And then finally, I wanted to point out that in regards to Ms. Serio's comments, I believe, there were questions about some of the environmental factors and when she could learn more about that, as well as the comments from the County representative of transportation.

The staff will be hosting workshops on discrete topic areas. So, for instance, when noise is a topic area that would be a great time to come and voice your concerns to the staff. This is before their analysis is complete. So they're very glad to hear from local people and local agencies before they've started to develop their analysis.

It would also be a good time to answer detailed questions about exactly where are the monitors, what period was monitored, that type of thing. The Applicant is at these workshops, so you can hear from them as well from the staff experts. And, of course, input from the County on transportation, for instance, a workshop on transportation will be the ideal time to do that. And it's a very informal process where lay people can come in and learn more about the project, and the experts can also exchange information at their

level, as well.

I just wanted to point that out.

CHAIRMAN KEESE: Commissioner Moore.

COMMISSIONER MOORE: Only a couple. First, I guess I'd just like to say it's good to be home and back in the county. I have a lot of history here, as Louis said. And I guess I would say I'm just pleased to see that the Supervisor for the District is here.

This is easily the toughest county in the state to get anything through, so you can bet that this process that we go through in the end will provide a model for anyone else who's going to come in California. The Board of Supervisors here is attentive. I know that for a fact. We have some -- it's not we, anymore, but they have some of the strongest and clearest land use standards in the whole state. And I'm pleased to have been a part of that as it came to the -- at least that the Board, through the District Supervisors, is going to be represented here, as well as -- but the AMBAG representation will be important. And I think, all in all, we're going to end up setting a standard for the other power plants that follow.

And Chairman Keese didn't mention it, but the Energy Commission is in the process of siting up to about 30 different power plants throughout the state, each one of them with a process that looks exactly like this. And so you can see it's a daunting task, and one that if we can bring some measure of clear rigor and consistency to, it's going to benefit every citizen of the state. This is the start of it.

So I'm pleased to be a part of it. It's nice to be home.

CHAIRMAN KEESE: Thank you.

I will ask for final statements. Does the Applicant have any final statement they care to -- no?

Staff?

SITING PROJECT MANAGER RICHINS: I'd just like to piggy-back on what Gary Fay said, that if you would like to come up I'll be up here after the meeting, and if you would like to talk with me or any of the technical staff in your particular area of concern, we would be glad to call you and talk with you directly.

If you have questions about noise, I'd be glad to have the noise person call you directly

before we begin our analysis. Questions on any other subject matter, air quality, water, biology, traffic, we want to work with you, and we want to receive your input early on in the process so that we can incorporate it into our preliminary staff assessment.

So I just want to second what Gary Fay said about contacting me. You can -- my phone number is in this document, or if you want to come by and give me your phone number you can do that, or you can call me at the office.

Thank you.

CHAIRMAN KEESE: I think we've been somewhat -- CURE has indicated they don't care to make a closing comment at this time.

We've been somewhat redundant, and this is the way we hope to be, with an informal process that makes sure that those members of the public who care to comment can comment at any time. This is the final time, if there's somebody else from the public who would like to make a statement.

Well, I'll just say on behalf of myself and the Committee, I believe, I hope all the siting hearings we have run as smoothly as this one. I think the tour was great, the facilities

are great. We have worked with some terrible sound systems, and this is -- this is magnificent.

(Laughter.)

CHAIRMAN KEESE: And a lot of people in the audience will recognize how bad it's been in some of the other cases.

I commend Duke for having done the outreach that's obvious from the hearing we've had today, and hope that that lasts through our process. Twelve months is our goal. If we can beat it, we'll try to beat it.

Thank you for coming.

(Thereupon, the Informational Hearing was adjourned at 8:10 p.m.)

CERTIFICATE OF REPORTER

I, DEBI BAKER, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Informational Workshop; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said Workshop, nor in any way interested in the outcome of said Workshop.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of September, 1999.

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